



Ernst & Young LLP  
One James Center  
Suite 1000  
901 East Cary Street  
Richmond, Virginia 23219  
Tel: 804 344 6000  
[www.ey.com](http://www.ey.com)

February 28, 2009

Circuit City Stores, Inc.  
9950 Mayland Drive  
Richmond, VA 23233  
Attn: Mr. Jeff McDonald  
Tax Director

### Statement of Work #13 - Property Tax Litigation Support

Dear Jeff:

This Statement of Work ("SOW") is governed by and subject to the terms and conditions of the Tax Services Agreement dated November 10, 2008 (the "Agreement") between Circuit City Stores, Inc. (the "Company" or "Client") and Ernst & Young LLP ("E&Y"), which was executed in connection with the Company filing a Chapter 11 petition on or around November 10, 2008 with the United States Bankruptcy Court for the Eastern District of Virginia (the "Bankruptcy Court"), and describes certain tax services that E&Y will perform for the Company during the Company's Chapter 11 bankruptcy. Unless modified by this SOW, the terms and conditions of the Agreement continue to apply. Capitalized terms used, but not defined in this SOW have the meanings set forth in the Agreement.

#### Engagement Team

Chip Phillips (Partner), Charlie Long (Executive Director) and Robert Stall (Principal) will lead the E&Y team in providing the tax services. If any of these individuals ceases to provide tax services to the Company pursuant to the Agreement, E&Y will so advise the Company and, if that person is replaced, provide the Company with the name of that professional's replacement. Other staff, not identified herein, may be utilized as required to conduct our work in the most efficient manner possible.

#### Scope of Services

E&Y will perform, as requested, the following tax services (the "Services") for Client with respect to the Summary Appraisal Report developed under Statement of Work #10 - Property Tax Assistance dated March 25, 2009 ("SOW #10") relating to the tangible personal property, leasehold improvements, and inventory located at the properties identified in Exhibit 1 to SOW #10, contingent upon the Bankruptcy Court's approval of our retention in accordance with the terms and conditions that are set forth in the Agreement (inclusive of this SOW):



Mr. Jeff McDonald  
Circuit City Stores, Inc.

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It is our understanding that the Company may require certain services related to its use of the Summary Appraisal Report prepared by E&Y pursuant to the terms set forth in SOW #10. Services may include the following:

- Assisting with the compilation of certain information to be included in the debtor's motion of Request for Determination.
- Preparing for our participation in any informal settlement discussions, depositions, hearings or court proceedings including any supplemental analyses as may be requested.
- Providing pretrial support and briefings as required by legal counsel.
- Providing deposition or trial testimony regarding E&Y's Summary Appraisal Report.

The services may include advice or recommendations, but all decisions in connection with the implementation of any thereof shall be the responsibility of, and made by, the Company.

In the event legal counsel or other professional services are required in the administrative appeal process, E&Y may assist Company by recommending counsel for Company's consideration. If E&Y determines that it would be reasonable or appropriate to retain other professionals, including but not limited to appraisers, to assist in the review and appeal of Company's assessments, E&Y will assist Company by recommending the retention of such professionals. Company will be responsible for retaining any such professional and payment of fees and expenses of any such professional.

The Internal Revenue Code and professional standards require that tax advisors advise clients regarding their penalty exposure with respect to the advice they render and the disclosures that may avoid such penalties. The Internal Revenue Code has been amended to increase the disclosures that return preparers are required to include on returns to avoid exposure to penalty. Our tax opinions, memoranda, and similar documents will address disclosures we believe are appropriate to comply with applicable taxpayer and tax advisor/return preparer obligations, including our views as to the level of support for the positions addressed therein in a manner designed to facilitate compliance with tax return disclosure requirements.

### Other Matters

The E&Y Summary Appraisal Report as provided for in SOW #10 is subject to the "Statement of Limiting Conditions", the distribution of the EY Summary Appraisal



Mr. Jeff McDonald  
Circuit City Stores, Inc.

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Report is limited as outlined in SOW # 10 and the "Form of Access Letter" Exhibit 2 and 3, respectively to SOW #10.

### **Responsibilities**

Client shall make all management decisions and perform all management functions in connection with the Services under this SOW. E&Y may assist Client in rendering management decisions or carrying out management functions in connection with the Services, including by providing advice, research material or recommendations, but E&Y will not make any such decisions or perform any such functions. In its sole discretion, E&Y may refuse to take any action to the extent it might be construed as a management decision or a management function.

Client accepts responsibility for the results of the Services. Client's approval of any Services shall not constitute a waiver of any of its rights under this SOW. Client further agrees to establish and maintain internal controls in connection with the Services, including monitoring E&Y's performance under this SOW.

Client shall designate an employee possessing the skill, knowledge and/or experience (but not necessarily the experience to perform the Services) to (1) oversee, (2) evaluate the effectiveness of, and (3) approve, the Services.

In addition, to the extent that SEC audit independence restrictions apply to any relationship between Client and E&Y or any other E&Y Entity, Client represents and warrants to E&Y, on and as of the date hereof, that neither Client nor any of its affiliates has agreed, orally or in writing, with any other tax service provider to limit in any way Client's ability to disclose to any person or entity the tax treatment or tax structure of any transaction that is the subject of the Services. Any such agreement with other tax service providers could impair the independence required of an E&Y Entity providing services to Client and neither E&Y nor any other E&Y Entity shall have any liability or responsibility whatsoever to Client in respect of any such agreement or its consequences.

### **Fees and Expenses**

The Company shall pay E&Y's fees for the Services, which fees are subject to Bankruptcy Court approval and based on the actual time of E&Y professionals expended in performing the tax accounting advisory services as adjusted annually on July 1 during the term of the Agreement. The actual time required will depend upon the extent legal counsel requires pretrial briefings and actual court time



Mr. Jeff McDonald  
Circuit City Stores, Inc.

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required and as defined in the scope of our engagement (which may be subject to Bankruptcy Court approval) and other developments that may occur as work progresses. Client shall also pay all applicable taxes incurred in connection with the delivery of the Services or any Advice (except for taxes imposed on E&Y's income). The rates, by level of professional, are as follows:

Partner	\$650-900
Executive Director	\$550-725
Senior Manager	\$550-700
Manager	\$450-575
Senior	\$275-475
Staff	\$120-275

In addition, Client shall reimburse E&Y for direct expenses incurred in connection with the performance of the Services. Direct expenses include reasonable and customary out-of-pocket expenses for items such as travel, meals, accommodations and other expenses specifically related to this engagement.

We will submit an itemized and detailed billing statement and we will request payment of our fees in accordance with the United States Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and the Local Rules for the United States Bankruptcy Court for the Eastern District of Virginia and any relevant administrative orders. In addition, we will request fees for any time (including any time or reasonable expenses of legal counsel) we may incur in considering or responding to discovery requests or participating as a witness or otherwise in any legal regulatory, or other proceeding as a result of our performance of these services. Please note that we may receive volume based rebates from certain vendors (e.g. credit card companies) that are used to reduce overhead charges that would otherwise be passed on to our client.

If, during the term of this SOW, E&Y determines that any additional work is necessary, whether at Client's request or because the complexity of the project increases, E&Y will promptly contact Client to discuss any adjustments to the scope of work or E&Y's fees and obtain Bankruptcy Court approval before proceeding.

Please indicate Client's acceptance of these additional terms and conditions by executing this SOW in the space provided below and return it to Chip Phillips at your earliest convenience.



Mr. Jeff McDonald  
Circuit City Stores, Inc.

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February 28, 2009

Thanks again for your selection of our firm.

Very truly yours,

*Ernst & Young*

AGREED TO BY:

Circuit City Stores, Inc.

By: \_\_\_\_\_

*David*  
Mr. Jeff McDonald, Tax Director



Ernst & Young LLP  
One James Center  
Suite 1000  
901 East Cary Street  
Richmond, Virginia 23219-4065  
Tel: 804 344 6000  
[www.ey.com](http://www.ey.com)

May 11, 2009

Circuit City Stores, Inc.  
9950 Mayland Drive  
Richmond, VA 23233  
Attn: Mr. Jeff McDonald  
Tax Director

#### **Statement of Work #14 - IRS Account Check Up and Review**

Dear Jeff:

This Statement of Work ("SOW") is governed by and subject to the terms and conditions of the Tax Services Agreement dated November 10, 2008 (the "Agreement") between Circuit City Stores, Inc. (the "Company" or "Client") and Ernst & Young LLP ("E&Y"), which was executed in connection with the Company filing a Chapter 11 petition on or around November 10, 2008 with the United States Bankruptcy Court for the Eastern District of Virginia (the "Bankruptcy Court"), and describes certain tax services that E&Y will perform for the Company during the Company's Chapter 11 bankruptcy. Unless modified by this SOW, the terms and conditions of the Agreement continue to apply. Capitalized terms used, but not defined in this SOW have the meanings set forth in the Agreement.

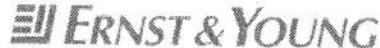
#### **Engagement Team**

Chip Phillips (Partner), Henry Singleton (Executive Director), and Jon Wilson (Senior Manager) will lead the E&Y team in providing the tax services. If any of these individuals ceases to provide tax services to the Company pursuant to the Agreement, E&Y will so advise the Company and, if that person is replaced, provide the Company with the name of that professional's replacement. Other staff, not identified herein, may be utilized as required to conduct our work in the most efficient manner possible.

#### **Scope of Services**

E&Y will perform the following Account Check Up and Review Services (the "Services") to Client, contingent upon the Bankruptcy Court's approval of our retention in accordance with the terms and conditions that are set forth in the Agreement (inclusive of this SOW):

IRS Account Check Up and Review Services involve the review of transcripts that the IRS provides for the tax accounts and periods covered by Forms 2848, Power of



Mr. Jeff McDonald  
Circuit City Stores, Inc.

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Attorney and Declaration of Representative along with Client information to identify recoveries and taking the necessary actions to secure such recoveries for Client. These services will generally proceed as follows:

#### Phase I - IRS Account Checkup

This phase involves a preliminary review of IRS payment account transcripts to identify tax years that need analysis and includes the following services:

- Secure IRS payment account transcripts for the types of taxes and periods indicated on the Forms 2848, Power of Attorney and Declaration of Representative, assuming they are all available from the IRS. This does not include periods that have been retired to the IRS archives or non-master file transcripts.
- Process the transcripts into our specialized analytical software and review for outstanding balances, unfiled returns, penalty assertions and interest assessed or allowed.
- Provide Client with a report that lists and identifies those accounts with outstanding balances, unfiled returns, penalty assertions and interest assessed or allowed.
- Discuss with Client the results of our preliminary review and mutually determine whether to proceed to the Analysis Phase.

#### Phase II - Analysis

This phase involves the detailed review and analysis of IRS payment account transcripts and client information to ascertain potential recoveries and includes the following services:

- Develop the facts, research the applicable law, perform interest computations, and determine the IRS procedures to secure the recoveries identified.



Mr. Jeff McDonald  
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- Review with Client recoveries detected and the potential for securing such recoveries. Mutually determine whether to proceed with the Recovery Phase.

#### Phase III - Recovery

This phase involves performing the necessary actions to pursue and secure the recoveries and includes the following services:

- Prepare interest computations and other supporting schedules.
- Prepare and file formal or informal refund claims as appropriate.
- Monitor the progress of the refund claims and assist the IRS as needed to secure the recoveries.

In performing this engagement, E&Y will seek to identify recoveries based upon the information Client provides and the IRS payment account transcripts we receive. However, this engagement cannot be relied upon to disclose all recoveries that may exist.

The performance of the Services assumes that Company's personnel will furnish E&Y with all necessary information on a complete and timely basis. The Services may be modified from time to time by our mutual written agreement and approval by the Bankruptcy Court.

The Internal Revenue Code and professional standards require that tax advisors advise clients regarding their penalty exposure with respect to the advice they render and the disclosures that may avoid such penalties. The Internal Revenue Code has been amended to increase the disclosures that return preparers are required to include on returns to avoid exposure to penalty. Our tax opinions, memoranda, and similar documents will address disclosures we believe are appropriate to comply with applicable taxpayer and tax advisor/return preparer obligations, including our views as to the level of support for the positions addressed therein in a manner designed to facilitate compliance with tax return disclosure requirements.

#### Responsibilities



Mr. Jeff McDonald  
Circuit City Stores, Inc.

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Client shall make all management decisions and perform all management functions in connection with the Services under this SOW. E&Y may assist Client in rendering management decisions or carrying out management functions in connection with the Services, including by providing advice, research material or recommendations, but E&Y will not make any such decisions or perform any such functions. In its sole discretion, E&Y may refuse to take any action to the extent it might be construed as a management decision or a management function.

Client accepts responsibility for the results of the Services. Client's approval of any Services shall not constitute a waiver of any of its rights under this SOW. Client further agrees to establish and maintain internal controls in connection with the Services, including monitoring E&Y's performance under this SOW.

Client shall designate an employee possessing the skill, knowledge and/or experience (but not necessarily the experience to perform the Services) to (1) oversee, (2) evaluate the effectiveness of, and (3) approve, the Services.

In addition, to the extent that SEC audit independence restrictions apply to any relationship between Client and E&Y or any other E&Y Entity, Client represents and warrants to E&Y, on and as of the date hereof, that neither Client nor any of its affiliates has agreed, orally or in writing, with any other tax service provider to limit in any way Client's ability to disclose to any person or entity the tax treatment or tax structure of any transaction that is the subject of the Services. Any such agreement with other tax service providers could impair the independence required of an E&Y Entity providing services to Client and neither E&Y nor any other E&Y Entity shall have any liability or responsibility whatsoever to Client in respect of any such agreement or its consequences.

### **Fees and Expenses**

The Company shall pay E&Y's fees for the Services, which fees are subject to Bankruptcy Court approval and based on the actual time of E&Y professionals expended in performing the tax accounting advisory services as adjusted annually on July 1 during the term of the Agreement. The actual time required will depend upon the extent and nature of available information, modifications to the scope of our engagement (which may be subject to Bankruptcy Court approval) and other developments that may occur as work progresses. Client shall also pay all applicable



Mr. Jeff McDonald  
Circuit City Stores, Inc.

Page 5  
May 11, 2009

taxes incurred in connection with the delivery of the Services or any Advice (except for taxes imposed on E&Y's income). The rates, by level of tax professional, are as follows:

Partner	\$650-900
Executive Director	\$550-725
Senior Manager	\$550-700
Manager	\$450-575
Senior	\$275-475
Staff	\$120-275

In addition, Client shall reimburse E&Y for direct expenses incurred in connection with the performance of the Services. Direct expenses include reasonable and customary out-of-pocket expenses for items such as travel, meals, accommodations and other expenses specifically related to this engagement.

We will submit an itemized and detailed billing statement and we will request payment of our fees in accordance with the United States Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and the Local Rules for the United States Bankruptcy Court for the Eastern District of Virginia and any relevant administrative orders. In addition, we will request fees for any time (including any time or reasonable expenses of legal counsel) we may incur in considering or responding to discovery requests or participating as a witness or otherwise in any legal regulatory, or other proceeding as a result of our performance of these services. Please note that we may receive volume based rebates from certain vendors (e.g. credit card companies) that are used to reduce overhead charges that would otherwise be passed on to our client.

If, during the term of this SOW, E&Y determines that any additional work is necessary, whether at Client's request or because the complexity of the project increases, E&Y will promptly contact Client to discuss any adjustments to the scope of work or E&Y's fees and obtain Bankruptcy Court approval before proceeding.

Please indicate Client's acceptance of these additional terms and conditions by executing this SOW in the space provided below and return it to Chip Phillips at your earliest convenience.

Thanks again for your selection of our firm.



Mr. Jeff McDonald  
Circuit City Stores, Inc.

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May 11, 2009

Very truly yours,

*Ernst & Young*

AGREED TO BY:  
Circuit City Stores, Inc.

By: \_\_\_\_\_

*Mr. Jeff McDonald, Tax Director*



**Ernst & Young LLP**  
One James Center  
Suite 1000  
901 East Cary Street  
Richmond, Virginia 23219-4065  
Main tel: +1 804 344 6000  
[www.ey.com](http://www.ey.com)

May 1, 2009

Mr. Jeff McDonald  
Tax Director  
Circuit City Stores, Inc.  
9950 Maryland Drive  
Richmond, Virginia 23233

### **Statement of Work #15 - Loaned Staff**

Dear Jeff:

This Statement of Work ("SOW") is governed by and subject to the terms and conditions of the Tax Services Agreement dated November 10, 2008 (the "Agreement") between Circuit City Stores, Inc. (the "Company" or "Client") and Ernst & Young LLP ("E&Y"), which was executed in connection with the Company filing a Chapter 11 petition on or around November 10, 2008 with the United States Bankruptcy Court for the Eastern District of Virginia (the "Bankruptcy Court"), and describes certain services that E&Y will perform for the Company during the Company's Chapter 11 bankruptcy. Unless modified by this SOW, the terms and conditions of the Agreement continue to apply. Capitalized terms used, but not defined, in this SOW have the meanings set forth in the Agreement.

This SOW regards our engagement to provide to Client loaned staff assistance (the "Services") as requested by Client's tax department.

#### **Engagement Team**

If any individual staffed on this engagement cease to provide Services to the Company pursuant to the Agreement, E&Y will so advise the Company and, if that person is replaced, provide the Company with the name of that professional's replacement. Other staff, not identified herein, may be utilized as required to conduct our work in the most efficient manner possible.

#### **Scope of Services**

E&Y tax personnel ("Assigned Staff") will support the activities of the Company's employees in connection with below-described tax matters (the "Project") on a "loaned staff" basis. The Services are not advisory. The Company will designate a management-level employee to be responsible for providing general directions to, and supervising the work of, the Assigned Staff in connection with the Project. In providing the Services, the Assigned Staff will not perform any



Mr. Jeff McDonald  
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management functions or undertake any managerial responsibilities for the Company, including (without limitation) establishing and maintaining an effective internal control system, record keeping, supervising Company personnel or making decisions on behalf of the Company. Documents and other work product produced by the Assigned Staff in connection with the Services will constitute the internal work product of the Company, and the Company shall not reference E&Y (including, without limitation, by using E&Y's name or the names of any global E&Y-associated firm) in any way with respect to such work product. Given the loaned staff nature of the Services, E&Y will not subject the work product to its normal practices of partner level review and quality control, and EY assumes no responsibility with respect to the final work product. It shall be the Company's responsibility to review the work and determine whether the work of the Assigned Staff is sufficient and appropriate for the Company's needs and the Company agrees to assume sole responsibility for the work product. To the extent that any of the Assigned Staff signs or initials any work product (including, without limitation, work papers), it will be deemed to be for identification purposes only.

E&Y will assign the following Assigned Staff to assist Client in completing ministerial and administrative tasks resulting from the settlement of Internal Revenue Service examinations:

Experience Level	Number Assigned
Senior	1
Staff	2

The Services to be performed by the Assigned Staff will include the following types of activities:

- Assisting with preparation of workpapers and schedules to support the preparation of federal and/or state tax returns
- Assisting with responding to income, franchise, property tax and sales/use tax notices
- Assisting with responding to IRS examination requests
- Researching federal and state tax issues
- Assisting with other tasks as needed where E&Y would approve such task in situations where the estimated time to perform the task is greater than two hours

The Services performed by the Assigned Staff during this engagement are to be administrative and/or ministerial in nature and will not involve providing any tax



Mr. Jeff McDonald  
Circuit City Stores, Inc.

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advice, determinations as to tax return positions or penalty exposure, or reviewing the work of or instructing individuals who are not employees of E&Y. The Services will not be comprehensive enough for E&Y or the Assigned Staff to be considered the "income tax return preparer" of any tax returns, and, thus, no E&Y professional will sign any tax returns as the preparer.

E&Y will retain copies of all working papers prepared by the Assigned Staff.

#### **Other Matters**

E&Y, in furnishing the Services to Client, is acting only as an independent contractor. Assigned Staff will be deemed employees of E&Y and will not for any purpose be considered employees of Client. Except as may otherwise be provided herein, each party shall be solely responsible for payment of the salaries of its employees (including withholding of appropriate payroll taxes), workers' compensation, disability benefits and the like.

During the term of the Services, and for a period of 12 months following the expiration or termination of this engagement, Client shall not solicit employment of or employ any Assigned Staff without E&Y's prior written consent.

#### **Out-Of-Scope Services**

Any activities not described as Services, as indicated above under Scope of Services, are not covered by the Fees stated herein. These services will be considered outside the scope of this SOW ("Out-of-Scope Services") and are the responsibility of Client to perform on a timely basis unless otherwise agreed by the parties in writing, subject to Bankruptcy Court approval.

#### **Responsibilities**

In its sole discretion, E&Y may refuse to take any action to the extent it might be construed as a management decision or a management function.

Client accepts responsibility for the results of the Services. Client's approval of any Services shall not constitute a waiver of any of its rights under this SOW. Client further agrees to establish and maintain internal controls in connection with the Services, including monitoring E&Y's performance under this SOW.



Mr. Jeff McDonald  
Circuit City Stores, Inc.

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Client shall designate an employee possessing the skill, knowledge and/or experience (but not necessarily the experience to perform the Services) to (1) oversee, (2) evaluate the effectiveness of, and (3) approve, the Services.

### **Fees and Expenses**

The Company shall pay E&Y's fees for the Services, which fees are subject to Bankruptcy Court approval and based on the actual time of E&Y professionals expended in performing the on-call tax advisory services as adjusted annually on July 1 during the term of the Agreement. The actual time required will depend upon the extent and nature of available information, modifications to the scope of our engagement (which may be subject to Bankruptcy Court approval) and other developments that may occur as work progresses. Client shall also pay all applicable taxes incurred in connection with the delivery of the Services or any Advice (except for taxes imposed on E&Y's income). The rates, by level of tax professional, are as follows:

Senior	\$275-475
Staff	\$120-275

In addition, Client shall reimburse E&Y for direct expenses incurred in connection with the performance of the Services. Direct expenses include reasonable and customary out-of-pocket expenses for items such as travel, meals, accommodations and other expenses specifically related to this engagement.

We will submit an itemized and detailed billing statement and we will request payment of our fees in accordance with the United States Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and the Local Rules for the United States Bankruptcy Court for the Eastern District of Virginia and any relevant administrative orders. In addition, we will request reimbursement of our actual expenses related to this SOW, as well as fees for any time (including any time or reasonable expenses of legal counsel) we may incur in considering or responding to discovery requests or participating as a witness or otherwise in any legal regulatory, or other proceeding as a result of our performance of these services. Please note that we may receive volume based rebates from certain vendors (e.g. credit card companies) that are used to reduce overhead charges that would otherwise be passed on to our client.

If, during the term of this SOW, E&Y determines that any additional work is necessary, whether at Client's request or because the complexity of the project



Mr. Jeff McDonald  
Circuit City Stores, Inc.

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increases, E&Y will promptly contact Client to discuss any adjustments to the scope of work or E&Y's fees and obtain Bankruptcy Court approval before proceeding.

Please indicate Client's acceptance of these additional terms and conditions by executing this SOW in the space provided below and return it to Chip Phillips at your earliest convenience.

Thanks again for your selection of our firm.

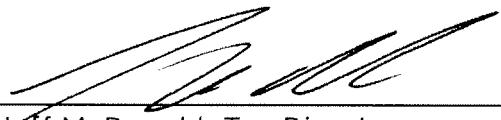
Very truly yours,

*Ernst & Young*

AGREED TO BY:

Circuit City Stores, Inc.

By: \_\_\_\_\_

  
Mr. Jeff McDonald, Tax Director